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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITY INVESTOR PROTECTION
CORPORATION,

Plaintiff,

v.

BERNARD L. MADOFF INVESTMENT
SECURITIES LLC,

Defendant.

Adv. Pro. No. 08-01789 (BRL)

SIPA Liquidation

(Substantively Consolidated)

In re

BERNARD L. MADOFF,

Debtor.

**LEVYS' DESIGNATION OF ADDITIONAL ITEMS TO BE INCLUDED IN RECORD
AND COUNTERSTATEMENT OF ISSUES TO BE PRESENTED ON APPEAL**

Pursuant to Federal Rule of Bankruptcy Procedure 8006, and in connection with the *Notice of Appeal* filed April 11, 2011 [Docket No. 4005] by Marsha Peshkin and a “large group of other Madoff customers” (“Appellants”), Jeanne Levy-Church and Francis N. Levy (the “Levys”) hereby designate additional items to be included in the record and counter-state the issues to be presented on appeal to the United States District Court for the Southern District of

New York from the Bankruptcy Court's Minute Order signed on March 30, 2011 [Docket No. 3984], denying Appellants' *Motion to Set Aside the Order Approving the Trustee's Settlement With the Levy Heirs for Failure to Disclose Material Information* [Docket Nos. 3860-61].

**DESIGNATION OF ADDITIONAL ITEMS
TO BE INCLUDED IN THE RECORD ON APPEAL**

<u>Proceeding No.</u>	<u>Filing Date</u>	<u>Doc. No.</u>	<u>Docket Text</u>
08-01789 (Bankr. S.D.N.Y.)	03/15/2011	3935	Opposition to <i>Motion to Set Aside Settlement</i> (related document(s) 3860) filed by Todd J. Rosen on behalf of Francis N. Levy, Jeanne Levy-Church. (Rosen, Todd) (Entered: 03/15/2011)

**COUNTERSTATEMENT OF ISSUES
TO BE PRESENTED ON APPEAL**

1. Whether the Bankruptcy Court abused its discretion in denying Appellants' motion to vacate the Bankruptcy Court's February 18, 2010 order approving the Trustee's settlement with the Levy Family, in light of the following:
 - a. Appellants' failure to show exceptional circumstances why, under Federal Rule of Civil Procedure 60(b), the February 18, 2010 order should be set aside;
 - b. The Trustee, having properly exercised his business judgment, after conducting appropriate due diligence and after considering the very facts that Appellants contend are "new," determined that the settlement was in the best interests of the debtor's estate and creditors; and
 - c. The Bankruptcy Court found, not once but twice, that the settlement fell within a range of reasonableness, after considering all relevant factors.

DATED: May 5, 2011
Los Angeles, California

Respectfully submitted,

MUNGER, TOLLES & OLSON LLP

By: 

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